Inadequate number of branches of Nationalised Banks in West Bengal

*243. SHRI SUKOMAL SEN:†

SHRI SUNIL BASU RAY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in Business Standard of the 13th February, 1989 regarding Centre's failure to open adequate number of branches of nationalised banks in West Bengal; and

(b) if so, what are the details thereof and what steps are being taken in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) Reserve Bank of India (RBI) has reported that under the current Branch Licensing Policy for 1985-90, out of 519 centres allotted to West Bengal, as on 30th June 1989 the banks have been able to set up branches at 313 centres. Depending on the availability of requisite infrastructure, banks are making efforts to open branches in other centres also.

SHRI SUKOMAL SEN: I have gone through this reply. It is quite evasive and disappointing. It is another instance of discrimination by the Centre towards West Bengal since it is a non-Congress (I) State.

I would like to draw the attention of the hon. Minister to the fact that the bank branches in West Bengal are quite below the national average. While the population in West Bengal is 8 per cent of the total national population, the number of bank branches there is only 6.6 per cent of the total bank branches in the country. At the same time, the national average population per bank branch is about 12,310, while in West Bengal it is 15,000 per bank branch. I would like to know from the hon. Minister why the Centre is adopting such a discriminatory policy towards West Bengal and whether the Central Government will review its policy and rectify it so that more bank branches are opened in West Bengal and the State is brought at par with the national average at least.

SHRI EDUARDO FALEIRO : The hon. Member has spoken about discrimination. If at all there has been a discrimination, on my part in my Ministry, there has been a positive discrimination that is sympathetic to West Bengal and favourable to West Bengal. I would like to add further in support of this. After this article appeared in the Business Standard, which is mentioned in the question, I myself went to Calcutta.. Then I took unprecedented steps. I arranged a meeting of the concerned Minister of Finance with the bankers of West Bengal. I invited the Finance Minister who has given this statement to be present there and then we took several decisions. I must add that I asked the bankers present there to have further follow-up meeting with the Minister of Finance of West Bengal so that the decisions taken are implemented. The results of this meeting were positive. I would like to add to the written reply which says : As on 30th June 1989, 313 centres have been opened. Further, after 30th June, 1989, more centres have been opened and as per information of yesterday from the Reserve Bank of India the total number of centres opened now is 346. This figure shows there has been progress and there has been a substantial progress. We are prepared to do more in this regard, but we need the cooperation of the State Government. The House will understand that we cannot open branches unless in-

†The question was actually asked on the floor of the House by Shri Sukomal Sen.

frastructure like buildings and roads are provided. Therefore, I asked the Minister of Finance of West Bengal to kindly indicate to us branch premises so that we can open. May I give this assurance also that as far as West Bengal is concerned on an indication of suitable premises and infrastructure by the State Government, we shall open branches which have been agreed upon within a period of two months.

SHRI SUKOMAL SEN : Sir, the reply of the hon. Minister is hollow and, at the same time funny. In this current Branch Licensing Policy for 1985—90, the Reserve Bank of India have issued licence for 519 centres in West Bengal. Out of that, the Minister says as of yesterday 346 bank branches have been established. The Reserve Bank of India has given licence for 519 and out of that only 346 have been established and others are yet to be established. Now he says about the requisite infrastructure. What is this ? Will the West Bengal Government construct a building for them and they will come and open a bank? It is not possible for any State Government to construct buildings for opening bank branches. It is the duty of the banks to find out the buildings or they themselves should construct buildings so that bank branches can be opened. They are not doing that.

Then, Sir, another point is that West Bengal Government have recommended for opening of 1038 new centres during the current licensing period. Out of that only 519 centres have been allotted by the RBI. I would like to know from the hon. Minister whether the rest, balance of the bank branches as recommended by the West Bengal Government, will be given licence by the Reserve Bank of India and when they will be established, whether it will be done expeditiously or it will be simply delayed.

SHRI EDUARDO FALEIRO : Sir, I have already mentioned as to how we are interested in improving the situation not merely in West Bengal but also in other areas which are not sufficiently banked which include practically the entire eastern region and other parts of the country also. Now, I would like to tell for the information of the hon. Member, what is the procedure as far as identification of branches and centres for opening of branches is concerned. The procedure is that the State Governments themselves will recommend and my request here is to all State Governments specifically to the West Bengal State Government because there is a question, that when they recommend opening of bank branches they must see that requisite infrastructure is available there. Sometimes, Sir, the recommendation is to open branches when there is no building, there is no road, there are no facilities and they have found any number of cases in which the State Government verifies afterwards after recommendation that there is no infrastructure and asks location to be changed. Therefore, they must streamline their procedure. We are not saying that we cannot do; banks must also take steps to identify premises. We are doing this but if the State Government cooperates, the procedure will be simplified and the time taken is limited to a great extent.

SHRI SUNIL BASU RAY : Mr. Chairman, Sir, may I ask the Minister to please enunciate the licensing policy of the Government under which the recommendations of the State Governments are rejected or accepted ? I may be given a reply to this quesion.

SHRI EDUARDO FALEIRO : The broad feature that interests the hon. Member is this: Firstly the Reserve Bank will see whether the area is sufficiently banked or not. Secondly, the Reserve Bank will see whether some facilities are available there or there is possibility of facilities because often State Governments tell us that facilities are not available, at the moment, but they project to have facilities within the licensing period.

I must also clarify here that the 519 centres that they were allotted were for the period 1985 to 1990 end. So State Governments sometimes hope to have these facilities available within this pe-

riod but the hopes sometimes or often do not materialise. So this is how it happens.

SHRI SUNIL BASU RAY: May I know whether the policy is the same for rural and urban areas?

SHRI EDUARDO FALEIRO: Sir, as far as urban areas are concerned, we find that urban areas are, by and large, as a rule, with hardly any exception, sufficiently banked. We are more inclined towards rural areas and for the information of the hon. Member, Sir, I would like to say that as far as rural areas are concerned, at the time of nationalisation, that is, 19th July, 1969, the number of rural branches in the West Bengal State was just 83. As on the 31st December, 1988—they have not included the latest figures—it increased from 83 to 1,998. This is an increase by hundreds of times and, therefore, Sir, this is our approach to improve facilities in the rural areas.

SHRI DIPEN GHOSH: Mr. Chairman, Sir, he has admitted that the Reserve Bank of India having gone into infrastructure availability, facilities, etc., . . .

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Programme to bring degraded land under forest cover

*244. SHRI MOHINDER SINGH LATHER:

SHRI VIRENDRA VERMA:

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether it is a fact that the National Wasteland Development Board announced a programme sometime in 1986 to bring five million hectares of degraded land under forest cover annually, but the same has not yet been implemented resulting in sharp rise in desertification;

(b) if so, what are the reasons therefor;

(c) what is the extent of rise in desertification at the end of 1988 and so far during 1989 stating the annual percentage of decline in land under forest cover; and

(d) whether Government propose to revise the present forest policy and if so, what changes are contemplated therein?

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI Z. R. ANSARI): (a) Afforestation and tree planting targets are fixed on a year to year basis under the 20 Point Programme, in consultation with the State Governments. Yearwise targets and achievements during the Seventh Plan period are given below:—

(Area coverage in Million hectares)

Year	Targets	Achievement
1985-86	1.45	1.51
1986-87	1.71	1.76
1987-88	1.79	1.77
1988-89	2.00	2.12